PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

January 25, 2016

Mr. Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

GI2015-06-SCG62-02A

Subject: General Order (G.O.) 112-E Operation and Maintenance Inspection of Southern California Gas Company's Cathodic Protection Facilities in the Southeast Region Mountain Pass that includes the district of Beaumont, Rim Forest, and San Bernardino

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-E Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Cathodic Protection (CP) Facilities in the Southeast Region Mountain Pass Inspection Unit (Beaumont, Rim Forest, and San Bernardino) on June 1-5, 2015. The inspection included a review of the Inspection Unit's cathodic protection and bridge/span inspection t records for calendar years 2013 and 2014 and field inspections of pipeline facilities in the Beaumont, Rim Forest, and San Bernardino districts. SED staff also reviewed the Inspection Unit's Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED staff made three recommendations during the course of this inspection. The recommendations are noted in the attached "Summary of Inspection Findings".

Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by SCG.

If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016.

Sincerely,

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Mahmoud (Steve) Intably, SED/GSRB, Matthewson Epuna, SED/GSRB, Kan Wai Tong, SED/GSRB, and Jeff Koskie, Sempra Energy Utilities

Summary of Inspection Findings
2015 SCG Southeast Region Mountain Pass Inspection Unit (Beaumont, Rim Forest, and San Bernardino)
June -5, 2015

I. SED Identified Probable Violations

SED did not identify any probable violations during the Southeast Region Mountain Pass inspection.

II Concerns and Recommendations

1. During field inspection of CP facilities, SED observed that the CP reads at the following locations were out of tolerance (low CP read):

A. WWREC1: the CP reads were down since 5/2/2015
B. HLD007: Read point B was -0.813V
C. RED075: Read points C & D were -0.84V and -0.71V respectively
D. YUC 14: Read point B was -0.828V
E. CRL040: Read point A was -0.836V
F. LKARR053: Read point D was -0.790V
G. BAN 3: -0.794V
H. CAB REC1: -0.839V
I. CP10: 1263 Maple Ave was -0.518V (no isolation between SCG and meter; dielectric union)
J. CP10: 937 Magnolia Ave. was low CP read (no dielectric union)
K. CP10: 961 Magnolia Ave. was low CP read (no dielectric union)
L. 451 W. 10th Street read point was low (shorted meter)

SED directs SCG to take the appropriate measures to bring the low CP reads to compliance with 49 CFR Part 192, §192.463.

2. AB 1937, signed into law on August 25, 2014, requires gas utilities to notify schools and hospitals of the non-emergency excavation and construction of a gas pipeline within 500 feet from a school or hospital at least 3 working days prior to start the work. SCG must incorporate the directives from the appropriate sections of AB 1937 requirements in its operation and maintenance plan and other programs.

3. SCG Gas Standard 184.16: Valve Inspection and Maintenance – Distribution, Section 3.3: valves necessary for the safe operation of the distribution system, includes bridge approach valves. During our field inspection, SED noted that span S112 had a bridge approach valve located above ground and accessible to the public that was not protected from tampering and/or unauthorized operation. SED directs SCG to install a locking device to prevent unauthorized person(s) from operating the valve on span S112.